THE CHARTERED INSTITUTE OF BANKERS, GHANA

EXAMINER'S REPORT

1. Title of Paper and Name of the Diet – Ethics and Professionalism – Level 1, April 2025.

2. Introduction: General Observations

The overall performance in the April 2025 Diet reflects a fair understanding of the key principles and expectations required in the examination. Most of the candidates demonstrated awareness of fundamental ethical concepts, legal frameworks, and their application in real-world scenarios. However, the results also reveal noticeable gaps in critical thinking, depth of analysis, and the practical application of ethical theories. Some candidates did not demonstrate their ability to apply ethical reasoning to complex dilemmas. This suggests the need for improved analytical preparation and a deeper engagement with the study manual. While the general outcome is encouraging, it also highlights the importance of strengthening both theoretical understanding and practical insight in future assessments. A greater emphasis on real-life case analysis, clarity of expression, and structured argumentation will help enhance the competence expected of professional bankers in the field of ethics and professionalism.

3. Comments on Candidates' Performance

The examination recorded a 60% pass rate, indicating that a fair number of candidates demonstrated a satisfactory understanding of ethical principles and their application in professional settings. These candidates showed the ability to interpret ethical scenarios, reference relevant codes of conduct, and provide reasoned solutions to ethical dilemmas. However, the 40% failure rate is a cause for concern and suggests that a significant portion of candidates struggled with critical analysis, clarity of expression, and application of ethical theories to practical situations. Common issues included vague responses, inadequate examples, and a lack of structured arguments. Some candidates also failed to directly address the requirements of the questions, leading to incomplete or off-point answers. This highlights the need for more focused preparation, especially in areas involving ethical decision-making and problem-solving. Strengthening these competencies will be essential for improving performance in future sittings of the examination.

3. I. Summary Statistics of the Performance.

Total No. of Candidates	Question No.	No of Candidates Attempted Each Question	% of Candidates Attempted Each Question	NO. Passed	NO. Failed	% Passed	% Failed
	Section B						

	1	42	41%	15	27	36%	64%
	2	47	46%	16	31	34%	66%
	3	30	29%	15	15	50%	50%
102	**4**	85	83%	38	47	45%	55%
	Section C						
	1	31	30%	14	17	45%	55%
	1	71	70%	32	39	45%	55%

4. General Problems Identified

An analysis of candidates' responses revealed several general problems that adversely affected performance in the examination. One of the most prominent issues identified was **inadequate preparation**. It was clear from the structure, content, and presentation of answers that many candidates did not dedicate sufficient time to understanding the subject matter. Ethical concepts require not only memorisation but also the ability to analyse, interpret, and apply theories to real-world situations. Unfortunately, many responses lacked depth and coherence, suggesting a surface-level engagement with the syllabus and a failure to develop the critical thinking skills necessary for professional ethical reasoning.

A second major concern was that **some candidates did not prepare using the recommended examination materials**. These materials, which include key readings, case studies, regulatory guidelines, and some questions, are essential for gaining a comprehensive understanding of the topics likely to be examined. Failure to engage with these resources meant that some candidates approached the examination without the context and examples needed to support their arguments. As a result, their answers often missed the mark, either because they were too general or because they demonstrated a lack of familiarity with core ethical principles and frameworks.

Additionally, **guess writing** was evident in a number of scripts. This refers to responses that were largely speculative or unrelated to the questions asked. Instead of addressing the specific demands of the question, some candidates wrote broadly on the topic or included irrelevant information in the hope of securing marks. This approach is particularly problematic in a professional examination, where precision, relevance, and logical reasoning are expected. Guess writing reflects a lack of preparation of candidates, and it undermines the integrity of the candidates' argument in the examination.

Despite these challenges, it is important to note that the multiple-choice section (Section A) played a significant role in helping many students to pass the examination. This section tested basic conceptual understanding and allowed candidates who had at least a fair grasp of the course to demonstrate their knowledge. For many, Section A helped compensate for weaker performances in the written sections, contributing positively to the overall pass rate. Collectively, these issues point to a need for more structured and disciplined preparation among candidates. It is important that candidates not only study consistently but also use the right materials and adopt a focused approach to answering questions. The Institute and other tuition providers must also reinforce the importance of proper exam techniques, understanding the syllabus, and engaging critically with ethical content. Addressing these challenges will not only improve individual performance but also uphold the standards of the Institute and ensure that

its members demonstrate the competence acquired in the banking and financial sectors of the economy.

5. SPECIFIC COMMENTS ON EACH QUESTION

I.   DESCRIPTION OF QUESTION
SECTION A

It is instructive to state that all 102 candidates who sat for the examination passed Section A, which comprised the multiple-choice questions. This section tested candidates' foundational knowledge and conceptual understanding of ethical principles, laws, artificial intelligence, decision making and professional standards. The strong performance in this section contributed significantly to the overall success rate in the examination.

Section A served as a crucial support for many students, particularly those who struggled with the written components. It provided an opportunity for candidates to demonstrate their grasp of key concepts in a more straightforward format, without the need for extended written analysis. The minimum score recorded in Section A was 18 out of 30, while the highest was 28 out of 30, indicating a generally strong understanding of the basic elements of the subject across board. Given that the minimum pass mark for Section A is 18, it is commendable that every candidate met or exceeded this benchmark. This widespread success in Section A played a vital role in boosting the total scores of many candidates and directly influenced the overall pass rate of 60% in the examination. The performance in this section highlights the importance of a solid grounding in the above-listed areas and suggests that with improved preparation across all sections, future results could be even better.

SECTION B

QUESTION 1

Question 1 focused on the subject of Artificial Intelligence (AI), specifically its benefits, challenges, and deployment within the banking sector. The question required candidates to **list and clearly explain** the advantages and disadvantages of AI, as well as demonstrate an understanding of how AI is currently being deployed or could be deployed in banking operations. The question carried a total of 20 marks, which called for well-structured, comprehensive, and analytical responses. Despite the importance and growing relevance of AI in modern banking, only 42 out of 102 candidates attempted this question. This relatively low attempt rate suggests that a significant number of candidates may have found the topic challenging, unfamiliar, or beyond their comfort zone. It also indicates a possible gap in preparation or limited engagement with emerging trends and technologies in the financial services industry.

Among those who attempted the question, a number of responses lacked depth and failed to provide balanced coverage of both benefits and challenges. Others simply listed points without offering the required explanations, which led to a loss of marks. Few candidates were able to adequately discuss real-world examples or demonstrate a strong understanding of how AI is being practically deployed in banking services such as fraud detection, customer service chatbots, credit scoring, and personalised financial advice. The limited number of attempts and the quality of responses suggest a need for enhanced curriculum emphasis and exam preparation in technology-related ethical and operational issues. In future sittings, clearer

teaching and revision of AI's application in banking, coupled with practical illustrations, will be essential to improve candidates' confidence and performance on such forward-looking topics. Encouraging students to stay updated on technological advancements in finance will also better prepare them for the evolving demands of the banking profession.

QUESTION 2

Question 2 focused on the role of law and morality in addressing ethical misconduct in banking. Part (a) of the question required candidates to identify and explain at least four roles that law and morality play in guiding ethical behaviour and preventing misconduct in the banking sector. Part (b) asked candidates to provide examples of legal and ethical violations in banking and to explain how these issues could be addressed using legal and moral principles. The question tested both theoretical understanding and the practical application of ethics and legal norms within a professional context.

Out of 102 candidates, 47 attempted this question, reflecting a moderate level of engagement. This suggests that while some candidates felt confident tackling the subject, a significant number may have found it either difficult or less appealing compared to other questions. The topic demanded a nuanced understanding of how legal frameworks and moral values intersect in regulating banking conduct, as well as the ability to apply these concepts to real-world examples. Among those who answered, performance varied. A number of candidates demonstrated a solid understanding of the theoretical roles of law and morality, such as promoting accountability, deterring misconduct, fostering trust, and guiding professional behaviour. These candidates also provided relevant examples and discussed possible legal or institutional reforms. However, others gave overly general or descriptive responses, lacking critical engagement or failing to connect the theory to the examples provided. In some cases, candidates listed points without explaining them or gave examples that were not clearly tied to the question's requirements.

To improve performance in future examinations, candidates should be encouraged to engage more deeply with the intersection of ethics, law, and professional conduct, using relevant case studies and examples to support their arguments. Lecturers and trainers should also emphasize the practical relevance of these concepts, helping students link abstract ideas to real-world challenges in the banking sector.

QUESTION 3

Question 3 focused on a comparative analysis of three major ethical theories—Utilitarianism, Deontology, and Virtue Ethics—and their application in resolving ethical challenges in the banking sector. Candidates were expected to identify and explain the strengths and weaknesses of each theory and to demonstrate, using real-life banking scenarios, how these theories could guide ethical decision-making. This question tested candidates' ability to critically engage with ethical frameworks and apply abstract concepts to practical, professional contexts. Despite the relevance and importance of this question, it was attempted by only 30 out of 102 candidates, representing just 29% of the total examination population. This low attempt rate is indicative of candidates' limited familiarity or confidence with ethical theory, particularly when required to evaluate and apply it in a comparative and practical manner. The philosophical nature of the question may have appeared challenging to candidates who were more comfortable with regulatory or procedural aspects of ethics, rather than theoretical foundations.

Among those who did attempt the question, performance varied significantly. A few candidates provided well-structured, analytical responses, successfully outlining the core principles of each theory. These candidates were able to demonstrate, for example, how Utilitarianism might justify a decision based on maximising customer satisfaction, how Deontology could guide actions based on duties and rules, and how Virtue Ethics might focus on the moral character of the banking professional. Real-life banking examples, such as product mis-selling, data privacy breaches, and employee whistleblowing, were effectively used by stronger candidates to illustrate how different theories would approach the same ethical dilemma from distinct angles.

However, the majority of responses lacked depth, clarity, or practical application. Many candidates were unable to distinguish clearly between the theories or failed to provide meaningful examples. Some merely listed characteristics without evaluating the theories' relevance or limitations in the context of banking. This suggests a need for a stronger emphasis on ethical theory in the teaching and learning process, as well as guided practice in applying these theories to industry-specific issues. To improve performance on similar questions in the future, candidates should be encouraged to engage more critically with theoretical ethics, understand how different frameworks shape ethical reasoning, and practice applying these theories to real-life scenarios in banking. This will not only enhance exam performance but also support ethical competence in professional practice.

QUESTION 4

Question 4 required candidates to demonstrate their understanding of the ethical dimensions of corporate governance in banking. Specifically, candidates were expected to identify and discuss three ethical breaches that contribute to corporate failure in the banking sector, as well as propose three practical measures that could help prevent such failures. The question tested candidates' ability to link ethical misconduct to systemic institutional breakdowns and to recommend ethically sound interventions that promote accountability, transparency, and integrity.

The question was attempted by 85 out of 102 candidates, indicating a high level of engagement. This suggests that most candidates found the topic relatable and within their scope of study. Ethical issues such as fraud, insider dealings, lack of transparency, weak internal controls, and conflict of interest were expected to feature prominently in candidates' answers. Preventive measures were to include strong regulatory oversight, ethical leadership, staff training, implementation of whistleblower policies, and other compliance-driven initiatives.

However, of the 85 students who attempted the question, only 38 passed while 47 failed, showing that while interest in the topic was high, understanding and analytical depth were lacking in many responses. Many candidates merely listed ethical breaches and preventive measures without explaining how these issues lead to corporate failure or how the proposed solutions would address them. Others failed to structure their answers clearly or omitted critical examples and explanations that would demonstrate applied knowledge. Candidates who performed well provided detailed discussions, cited real-world banking failures, and articulated how ethical failings contributed to those outcomes. They were also able to show how preventative measures, if properly implemented, could have mitigated such failures. Future candidates are advised to move beyond listing points and instead focus on developing coherent arguments, backed by examples and practical insights. This approach will enhance both clarity and the quality of responses.

SECTION C

QUESTION 1

Question 1 presented candidates with a complex ethical dilemma involving a politically exposed person (PEP) whose business is underperforming but who has promised to facilitate a lucrative government contract for the bank in exchange for a loan. Candidates were required to analyse the legal and moral implications of granting or denying the loan, and to discuss the possible outcomes of the decision taken by the bank. The question tested candidates' ability to identify conflicts of interest, assess risks, and apply ethical reasoning and legal standards to decision-making in high-risk banking scenarios. Despite the real-world relevance and practical importance of the question, only 31 out of 102 candidates attempted it, suggesting that many students may have found the topic challenging or were uncertain about how to structure their responses. Among those who attempted it, 14 candidates passed while 17 failed, indicating mixed performance even among those who engaged with the question.

A well-reasoned response provided balanced analysis, clearly outlining the legal duties of banks in dealing with politically exposed persons, the ethical risks of prioritising political connections over financial prudence, and the long-term consequences of such decisions. Weaker responses either lacked depth or missed key legal and ethical considerations. To improve, candidates must strengthen their ability to apply ethical frameworks and legal knowledge to complex, real-world dilemmas and provide structured, analytical responses with supporting examples.

QUESTION 2

Question 2 examined the ethical, legal, and corporate governance implications of granting loans to politically exposed persons (PEPs) and how such decisions could contribute to corporate failure in the banking sector. Candidates were expected to critically assess the risks associated with extending credit to PEPs, including potential breaches of anti-money laundering regulations, abuse of influence, conflicts of interest, and the risk of reputational and financial loss to the institution. The question also required candidates to explore the governance structures banks should have in place to manage such high-risk relationships and ensure accountability.

Out of 102 candidates, 71 attempted this question, indicating a relatively high level of engagement. This suggests that many students felt comfortable with the topic or had encountered similar discussions during their studies. However, the quality of responses varied significantly. Good answers demonstrated a clear understanding of how poor credit decisions, particularly when influenced by political pressure, can lead to bad debts, regulatory sanctions, loss of stakeholder trust, and ultimately, corporate collapse. Some candidates also successfully identified the importance of ethical lending policies, due diligence procedures, and internal governance mechanisms in mitigating these risks. Weaker responses, however, lacked depth, failed to provide real-world examples, or did not sufficiently analyse the connection between unethical lending practices and corporate failure.

II. COMMENTS ON EXAMINER'S EXPECTATIONS OF HOW EACH QUESTION SHOULD BE ANSWERED (EXAMINER'S EXPECTED APPROACH TO EACH).

SECTION A

Students were expected to write only the correct alphabet of the possible answer. Example question 1 is A.

SECTION B

QUESTION 1

For Question 1, candidates were expected to demonstrate a sound understanding of Artificial Intelligence (AI) and its practical application within the banking sector, with emphasis on its benefits, challenges, and deployment. The examiner anticipated a well-structured response covering the following core areas:

Definition and Brief Explanation of AI: Candidates were expected to begin by briefly defining Artificial Intelligence, describing it as the simulation of human intelligence by machines, particularly computer systems, capable of performing tasks such as learning, reasoning, problem-solving, and decision-making.

Benefits of AI in Banking: At least four to five benefits should have been identified and clearly explained. These may include, but are not limited to:

- Enhanced customer service through AI chatbots and virtual assistants.
- Fraud detection and prevention using AI algorithms to analyse transaction patterns.
- Personalised banking experience through predictive analytics and customer behaviour analysis.
- Operational efficiency, reducing costs and manual errors.
- Faster credit assessment using AI-driven credit scoring models.

Challenges of AI in Banking: Candidates were expected to outline and explain at least four key challenges, such as below, but also are not limited to:

- Data privacy and security risks.
- Job displacement due to automation.
- Bias in AI algorithms resulting in unfair treatment.
- High implementation costs.
- Regulatory uncertainty and ethical concerns.

Deployment of AI in Banking: Candidates were to provide examples of how AI is currently being deployed in banking. Below are some of them:

- AI-powered customer service platforms.
- Robotic Process Automation (RPA) in back-office functions.
- AI in loan and credit scoring.
- Real-time fraud monitoring systems.

Conclusion: A well-rounded answer should conclude with brief insights on how banks can ethically and responsibly integrate AI while managing its risks.

The examiner expected logical flow, clarity, relevant examples, and balanced coverage of all three areas, such as benefits, challenges, and deployment. Candidates who only listed points without explanations or failed to provide banking-specific applications were unlikely to earn full marks.

QUESTION 2

Question 2 required candidates to provide a critical discussion on how law and morality function as tools for addressing ethical misconduct within Ghana's banking sector. The examiner expected answers that demonstrated both conceptual clarity and practical application, grounded in the Ghanaian context.

Introduction and Definitions: Candidates were expected to begin by clearly defining the concepts of law (as a system of rules enforced by institutions) and morality (as societal standards of right and wrong). The introduction should set the tone by explaining how these two frameworks intersect in regulating ethical conduct in the banking sector.

Role of Law in Addressing Misconduct: Candidates were to identify relevant legal frameworks, and they were expected to discuss how laws impose sanctions, penalties, and compliance requirements to deter misconduct such as fraud, insider dealings, money laundering, and unauthorised disclosure of customer information.

Role of Morality: Candidates should explain how moral principles (honesty, integrity, fairness) act as internal guides for banking professionals beyond written rules. The examiner expected a discussion on ethical leadership, corporate culture, and how moral responsibility reinforces compliance and accountability, especially in cases where the law may be silent or ambiguous.

Examples of Legal and Ethical Violations: Candidates were to cite real or hypothetical examples—e.g., mis-selling financial products, manipulating financial statements, or granting unmerited loans. They should discuss how these acts breach both legal duties and moral expectations.

Addressing the Violations: Suggested responses should include enhanced regulatory oversight, ethics training, whistleblower protection, and strengthening ethical codes and institutional culture.

Candidates were expected to present balanced, well-structured answers, linking theory to practice while demonstrating contextual understanding of Ghana's banking environment.

QUESTION 3

This question required candidates to demonstrate a comparative understanding of three major ethical theories: Utilitarianism, Deontology, and Virtue Ethics, and how these frameworks can be applied to resolve ethical dilemmas in banking. The examiner expected responses that reflected critical thinking, comparative analysis, and practical application through relevant banking examples.

Introduction
Candidates were expected to start with a brief overview of ethical theories and their importance in guiding decision-making in complex professional environments such as banking. A clear thesis introducing the three theories and their relevance to ethical decision-making was ideal.

Explanation of Theories
Each theory was to be explained concisely:

- Utilitarianism focuses on outcomes; actions are right if they promote the greatest good for the greatest number.
- Deontology is duty-based; actions are right or wrong based on adherence to rules or duties, regardless of the consequences.
- Virtue Ethics emphasises moral character; ethical behaviour stems from the virtues or character of the decision-maker (e.g., honesty, courage, fairness).

Strengths and Weaknesses
Candidates were to compare each theory's strengths and limitations:

- *Utilitarianism:* Strength—flexibility and focus on results; Weakness—may justify unethical means if the ends are beneficial.
- *Deontology:* Strength—consistency, fairness, and respect for individual rights; Weakness—rigidity and potential conflict between duties.
- *Virtue Ethics:* Strength—focus on moral development and integrity; Weakness—subjectivity and difficulty in defining universal virtues.

Application   with   Examples
The examiner expected at least one practical example for each theory within the banking context:

- *Utilitarianism:* Justifying cost-cutting that affects a few employees to keep the bank solvent and protect customers and shareholders.
- *Deontology:* Refusing to approve a fraudulent loan, even if it would benefit the bank financially.
- *Virtue Ethics:* A bank manager chooses transparency and fairness in customer dealings because it reflects good character.

Good answers would conclude by highlighting that no single theory is sufficient in isolation. Ethical decision-making in banking often requires a balanced integration of these approaches depending on context. The examiner expected well-structured essays with comparative analysis, real-world relevance, clarity, and critical evaluation.

QUESTION 4

This question tested candidates' understanding of how unethical practices contribute to the collapse or dysfunction of banking institutions, and what measures can be implemented to promote ethical banking practices and prevent such failures. The examiner expected candidates to demonstrate knowledge of real-world ethical issues, causal analysis, and practical preventive strategies rooted in banking governance and ethics.

Introduction

Candidates were expected to introduce the topic by briefly stating that ethical breaches undermine trust, financial integrity, and operational stability, often leading to reputational damage and even systemic collapse in the banking sector. A good introduction would define what constitutes "ethical breaches" in banking and how these can impact corporate sustainability.

Three Ethical Breaches Contributing to Corporate Failure

Candidates were to clearly identify and explain three specific ethical breaches, demonstrating how each can lead to corporate failure. Examples include:

- Insider Lending and Conflict of Interest: Lending to executives or related parties without proper risk assessment or transparency. This often leads to non-performing loans and capital loss.
- Fraud and Financial Misrepresentation: Falsifying financial reports or misrepresenting the bank's health to stakeholders can lead to regulatory sanctions, loss of investor confidence, and collapse.
- Negligence in Risk Management and Compliance: Failure to adhere to regulatory requirements such as Know Your Customer (KYC) and anti-money laundering (AML) procedures exposes the bank to legal penalties and operational risks.

Candidates were expected to provide a brief real-life or hypothetical example for each, preferably within the Ghanaian or African banking context.

Three Measures to Prevent Corporate Failure through Ethical Banking

Candidates should propose three well-explained preventive strategies, including:

- Implementation of a Strong Ethical Code and Corporate Governance Framework: Clearly defined values, rules of conduct, and accountability structures can guide behaviour and decision-making.
- Regular Ethics and Compliance Training: Ensures employees understand ethical expectations, legal obligations, and the consequences of misconduct.
- Whistleblower Protection and Transparent Reporting Channels: Encourages internal reporting of unethical behaviour without fear of retaliation, helping institutions to detect and correct problems early.

The examiner expected candidates to link each preventive measure to the ethical breach it addresses, and to demonstrate awareness that ethical practices are integral to long-term financial and reputational stability.

A good conclusion would emphasise that ethical discipline and proactive governance are essential for sustaining trust, competitiveness, and public confidence in banking institutions. Answers were expected to be structured, clear, evidence-informed, and contextually grounded. Candidates who only listed points without explanation or failed to link ethics to real-world consequences were unlikely to earn full marks.

SECTION C

QUESTION 1

This question required candidates to critically analyse an ethical dilemma involving a loan application from a politically exposed person (PEP) whose business is financially unstable but offers promised political connections to benefit the bank. The examiner expected a structured and analytical response addressing the legal, ethical, and practical implications of such a decision.

Understanding of Ethical Dilemma

Candidates were expected to begin by defining an ethical dilemma—a situation where decision-makers face conflicting obligations or choices between what is morally right and what may be beneficial or required by duty. In this scenario, the conflict lies between acting in the bank's best interest (possibly benefiting from the political promise) and adhering to legal and ethical lending standards**.**

Legal Implications: The examiner expected a discussion on how granting a loan to a PEP without proper due diligence could expose the bank to regulatory breaches and possible sanctions against the bank by the regulator.

Moral and Ethical Considerations

Candidates should examine the moral risks of favouritism, corruption, and conflict of interest. They were expected to discuss principles like fairness, integrity, accountability, and transparency, and how compromising these values undermines ethical banking practices.

Possible Implications**:** The examiner expected thoughtful reflection on outcomes such as: risk of loan default due to poor business performance, reputational damage, loss of stakeholder trust, and possible regulatory sanctions.

A good conclusion would advocate for rejecting the loan unless the business qualifies on merit, thus reinforcing both legal compliance and ethical banking standards.

QUESTION 2

This question required candidates to analyse the ethical, legal, and governance implications of granting loans to Politically Exposed Persons (PEPs), and how such decisions can contribute to corporate failure in the banking sector. The examiner expected a well-organised response demonstrating critical reasoning, legal awareness, and practical insight into corporate ethics and risk.

Understanding of Politically Exposed Persons (PEPs): Candidates were expected to begin by defining who PEPs are—individuals who hold or have held prominent public positions (e.g., ministers, MPs, DCE, etc.), and who are therefore considered high-risk due to their potential influence and exposure to corruption.

Ethical Implications: Candidates should explore the ethical concerns surrounding granting loans to PEPs:

- Conflict of interest, favouritism, or decisions based on political pressure.

- The risk of compromising integrity and fairness in lending practices.
- Breach of fiduciary duty if decisions are not in the bank's best interest.

The examiner expected discussion on ethical principles like transparency, fairness, accountability, and how their absence could lead to unethical outcomes.

Legal Implications

Candidates were expected to refer to relevant provisions in laws such as: The Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), and the Data Protection Act, 2012 (Act 843).

Responses should highlight that failure to conduct enhanced due diligence on PEPs or extending loans without proper documentation or assessment can breach these laws and attract sanctions from regulatory bodies like the Bank of Ghana.

Governance Implications

Candidates were expected to analyse how poor governance structures promote such risky decisions: weak internal controls, board oversight, or credit risk frameworks and lack of independent decision-making on high-risk credit approvals.

The examiner expected examples of how governance failures (e.g., insider influence, poor audit function) have led to bad loans and eventually bank distress or collapse.

Corporate Failure Linkage

The answer should tie all the above factors to corporate failure, explaining that:

- Loans granted to unqualified PEPs based on influence rather than merit often become non-performing.
- Reputational damage, regulatory penalties, and loss of public trust accelerate the bank's decline.

Candidates were expected to conclude by emphasising the need for ethical banking practices, legal compliance, and sound governance in managing PEP-related risks. A good response would also recommend stronger regulatory enforcement and staff training on ethical risk assessment.

I. Problems identified about candidates' approach to the questions

A number of challenges were observed in the way candidates approached the examination questions. One of the primary concerns was the lack of clear understanding of what each question specifically required. This often resulted in incomplete or off-target responses. In particular, questions that called for reference to specific ethical frameworks were poorly addressed, as many candidates failed to incorporate relevant laws or theories, thereby weakening the analytical quality of their answers.

Moreover, there was a general absence of critical thinking across many scripts. Rather than engaging deeply with the issues, several candidates presented superficial or purely descriptive

answers, especially in areas that required the examination of ethical dilemmas or the weighing of competing interests. These questions demanded nuanced reasoning, which was often lacking. Time management was another issue, with some candidates clearly rushing through their responses. This led to poorly organised answers and frequent grammatical errors. Additionally, many candidates did not make effective use of real-world examples or case studies to strengthen their arguments, which reduced the overall impact and persuasiveness of their responses. Improved preparation, including a focus on analytical writing and application of concepts, would greatly benefit future performance.

5. Conclusion

The overall performance of candidates in this examination revealed both strengths and areas needing significant improvement. The examiner expected answers that reflected a deep understanding of ethical principles, legal frameworks, and corporate governance issues within the banking sector. While some candidates showed promise in grasping basic concepts, many struggled to provide detailed, well-structured, and critically analytical responses. Across the various questions, ranging from artificial intelligence in banking to ethical dilemmas involving politically exposed persons, candidates were expected to go beyond definitions and demonstrate practical application, balanced judgment, and legal awareness.

A recurring weakness was the failure to directly address the demands of the questions, often resulting in vague or unfocused answers. Time management and the insufficient use of examples further undermined candidate performance. Nevertheless, the performance in Section A (Multiple Choice Questions) was commendable and contributed positively to the overall pass rate. Moving forward, students are encouraged to improve preparation using the recommended materials, engage in critical thinking, and practice applying ethical and legal reasoning to real-world banking scenarios to improve future outcomes.